

# Labour Market

NOTES ■ January 2014

## Alberta posts strong 2013 despite December employment dip

### Alberta

- Job growth accelerates in 2013. On an annual basis, employment increased to 2.9% in 2013 compared with 2.7% in 2012. Alberta accounted for 27.5 % of all jobs created in Canada. Last year's growth was the third year in a row of strong job growth, and second only to Saskatchewan (+3.4%)
- Employment drops. Alberta lost 11,700 in December after gaining 10,600 in November. Job losses occurred in both full-time (-9,400) and part-time (-2,500) positions.
- Despite the monthly job losses, year-over-year job growth remains strong. Since December 2012, Alberta has gained 70,700 jobs, recording the highest growth rate among the provinces at 3.3%.
- Unemployment rate rises. Alberta's unemployment rate increased by 0.1 percentage points to 4.8% in December over the previous month.
- Broad based job losses. December job losses occurred in both the goods (-3,300) and services (-8,600) sectors. The other services industry, i.e. everything from caretakers to repair shops and advocacy groups, led the decline (-11,000). The trade and education industries also recorded notable losses, down 7,300 and 4,600 respectively.
- Weekly earnings growth picks up. Average weekly earnings increased to \$1,126 in October, which is 3.2% higher than the same month last year. This is the first increase above 3% since June 2013.

### Canada

- Canada sheds jobs. Employment fell by 45,900 in December, split equally between declines in the goods (-23,800) and the services sector (-22,100). The largest drops in employment occurred in the education services (-18,500) and accommodation and food services (-16,000) industries. Canada has gained 102,000 jobs (+0.6%) since December 2012.
- Unemployment rate moves up. The Canadian unemployment rate increased to 7.2% in December, up from 6.9% in November.
- Earnings inch up. Canadian average weekly earnings were \$918.44 in October, a slight increase over September and a modest 1.4% gain over the same month last year.

For definitions of the data indicators discussed in this publication, please see the second page of August 2012's [Labour Market Notes](#)

### Employment Growth by Province, Dec. 2013 vs. Dec. 2012



Source: Statistics Canada

### Alberta Labour Market Indicators

Indicator	October or Latest*
Employment	2,236,000
month-over-month change	-11,700
year-over-year % change	3.3%
Alberta Unemployment Rate (UR)	4.8%
Edmonton UR**	5.5%
Calgary UR**	4.7%
Participation Rate	72.9%
Average Weekly Earnings (AWE)	\$1,125.60
year-over-year % change	3.2%
Average Hourly Wage	\$27.98
year-over-year % change	1.9%
Job Vacancy Rate**	2.7%

Source: Statistics Canada

\* All data is from the Labour Force Survey for December except AWE, which is from the October Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate from September.

\*\* This indicator is calculated as a three-month moving average and is not seasonally adjusted.

## Labour income rises in lockstep with GDP

Alberta's economy has grown considerably in recent years, boosting incomes across all major sectors: households, government and business. The share of total income in Alberta (i.e. nominal GDP) earned by employees has remained pretty consistent, at around 45 per cent, over the period 2002 to 2012 (Chart 1).

Canada has a number of robust data sources on the labour market. One that often gets overlooked is the monthly report on wages, salaries and employers' social contributions. This is the data source used in the national accounts to tabulate GDP, reporting all remuneration paid to all employees (salaries, wages, tips, bonuses, etc.) for all hours and types of employees.

### Labour compensation outpaces population and inflation

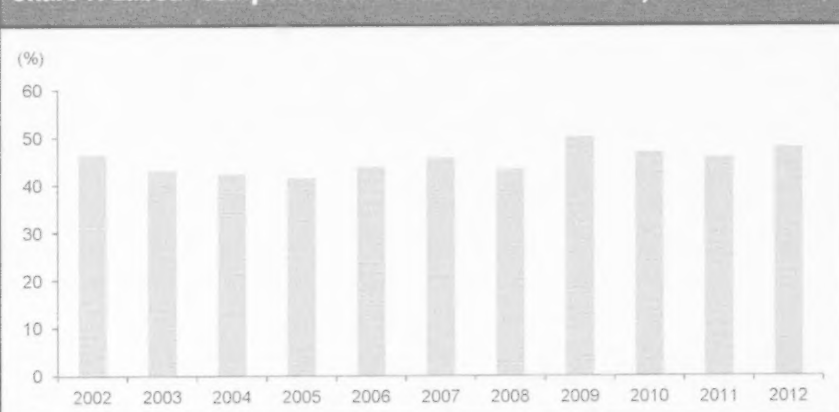
In 2012, nearly \$150 billion in labour compensation was earned in Alberta, up from \$71 billion in 2002, or an increase of over 110%. This represents a dramatic rise in the income Albertans have

available for consumption, with incomes rising far faster than population growth (up 24%) and the consumer price index (up 27%) over the same period.

Compensation growth nationally was less robust, up a more modest 55.8% between 2002 and 2012. Over the same period, population increased 10.8% and the consumer price index increased 21.7%.

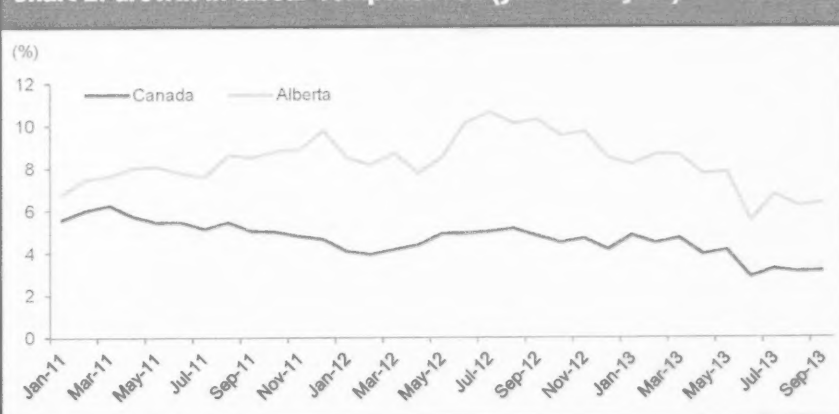
Through 2013, compensation levels continued to rise briskly in Alberta, up 7.4% year-to-date through September. Over the same period, Canada saw growth of 3.8% (Chart 2).

**Chart 1: Labour compensation's share of nominal GDP, Alberta**



Source: Statistics Canada

**Chart 2: Growth in labour compensation (year-over-year)**



Source: Statistics Canada

### Large gains in oil and gas and construction

While labour income has increased drastically, households with workers in certain industries saw larger increases than others. For example, in the oil and gas industry, total employment compensation rose from 9.7% of all compensation paid in the province in 2002 to roughly 15% in 2012 and 2013 year-to-date. This jump was due to a variety of factors, from rising wages to a slightly higher employment share.

More recently, remuneration in the construction industry is up strongly, rising 17% year-to-date, as both construction employment and wage growth has picked up. As a result of the rapid growth, total compensation in the construction industry is now approximately the same level as the oil and gas industry.

### Conclusion

Despite large differences in industry growth rates, labour compensation in Alberta has trended sharply higher in recent years and kept pace with nominal GDP growth. As a result, labour's share of Alberta's overall income has held fairly steady.

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